

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1755 - HB 1585

April 3, 2009

SUMMARY OF BILL: Requires hospitals to provide notification to patients or guarantors from whom they are seeking payment for medical services regarding the availability of charity care, disclosures about the hospital's financial status, and the hospital's charity care and debt collection policies. Establishes that it is considered an unfair or deceptive act for a hospital to fail to accurately disclose the cost of services to a consumer or the public or fails to provide accurate and timely information regarding the availability of charity care in consumer friendly and non-English languages. Requires the joint annual report submitted by hospitals to the Department of Health to include the value of the hospital's tax exemption; the value of any public subsidy received by the hospital; the amount of charity care and the amount of any charity care of any uncompensated community services provided by the hospital. Requires hospitals to post certain information on its Web site. Prohibits hospitals from demanding payment from the patient or patient's guarantor for medical treatment that exceeds the person's ability to pay. Prohibits the hospital from garnishing the patient's wages for payment of services rendered unless there has been a judicial finding that the patient or guarantor has the financial ability to pay but has failed to make payments.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – Exceeds \$100,000

Increase Local Expenditures – Exceeds \$100,000*

Assumptions:

- Department of Health surveyors will be trained to incorporate the new requirements into hospital inspections. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- Public hospitals may incur a decrease in expenditures because the hospital will not be able to collect payments for services beyond a patient's ability to pay. An exact amount is not possible but is reasonably estimated to exceed \$100,000.

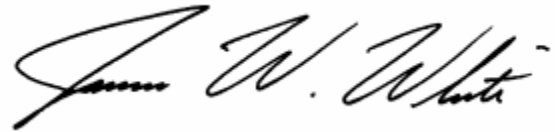
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- These hospitals may also incur an increase in expenditures in legal fees and court costs to receive a judicial finding prior to the garnishment of the patient's wages. An exact amount is not possible, but is reasonably estimated to exceed \$100,000.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/kml